







Tax Credits for Home Builders

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Eligible contractors need to fill out [IRS Form 8908](#)  [EXIT](#)  to get the tax credit. The IRS has provided the following guidance regarding the tax credits for constructing energy efficient new homes available under the Energy Policy Act of 2005:

- [IRS Notice 2006-27](#)  [EXIT](#)  provides guidance for the credit for building energy efficient homes other than manufactured homes.
- [IRS Notice 2006-28](#)  [EXIT](#)  provides guidance for the credit for building energy efficient manufactured homes.

Home builders are eligible for a \$2,000 tax credit for a new energy efficient home that achieves 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code (IECC) and supplements. At least 1/5 of the energy savings must come from building envelope improvements. This credit also applies to contractors of manufactured homes conforming to Federal Manufactured Home Construction and Safety Standards.

There is also a \$1,000 tax credit to the producer of a new manufactured home achieving 30% energy savings for heating and cooling over the 2004 IECC and supplements (at least 1/3 of the savings must come from building envelope improvements), or a manufactured home meeting the [requirements](#) established by EPA under the ENERGY STAR program.

Please note that, with the exception of the tax credit for an ENERGY STAR qualified manufactured home, these tax credits are not directly linked to ENERGY STAR. Therefore, a builder of an ENERGY STAR qualified home may be eligible for a tax credit but it is not guaranteed.

These tax credits apply to new homes located in the United States whose construction is substantially completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2009.

http://www.energystar.gov/index.cfm?c=tax_credits.tx_hm_builders